

LUKAS, MCGOWAN, NACE & GUTIERREZ

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September 23, 1997

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RECEIVED

SEP 23 1997

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

William F. Caton, Acting Secretary  
Federal Communications Commission  
1919 M. Street, NW, Room 222  
Washington, DC. 20554

RE: Ex Parte Presentations: PCS Installment Payment Issues  
WT Docket 97-82

Dear Mr. Secretary:

Pursuant to FCC Rule Section 1.1206(a)(2), on behalf of CONXUS, Inc., there are enclosed an original and one copy of letters which were sent via facsimile today to the chairman and each of the commissioners.

Should any question arise concerning this matter, kindly contact this office.

Very truly yours,

  
George L. Lyon, Jr.

GLL/pc  
Enclosures

cc: Chairman Reed E. Hundt (w/o enclosures)  
Commissioner James H. Quello (w/o enclosures)  
Commissioner Rachelle B. Chong (w/o enclosures)  
Commissioner Susan Ness (w/o enclosures)

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VIA FACSIMILE 418-2821

The Honorable Susan Ness  
Commissioner  
Federal Communications Commission  
1919 M Street, NW, Room 832  
Washington, DC 20554

RE: WT Docket 97-82

Dear Commissioner Ness:

This letter is written on behalf of CONXUS, Inc., licensee of regional narrowband PCS systems in each of the five regions of the country. CONXUS understands the Commission may adopt measures which may provide financial relief to PCS licensees, which would include the option of paying off their installment debt at a discount to reflect its net present value, employing an assumed cost of capital of 15 percent.

CONXUS has previously explained that any relief the Commission adopts, should apply to all PCS licensees, narrowband and broadband. That position will not be repeated here.

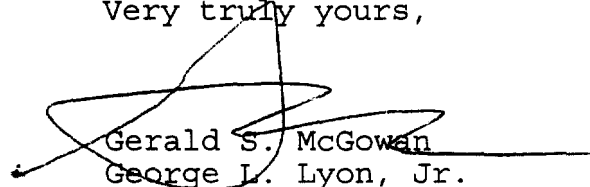
The purpose of this letter is to indicate that CONXUS believes that adoption of the net present value buyout is appropriate. Although CONXUS's cost of capital in its startup narrowband PCS operation is in fact greater than 15 percent, the 15 percent net cost of capital figure is a reasonable one with which CONXUS and other PCS licensees should be able to live.

It must be emphasized that in applying this net present value analysis, the percentage discount adopted should be the same for all licensees without regard to the interest rate of their respective notes, and should be calculated from the face amount of the note, without consideration of the amount of interest which would have been paid on the note.

As several commenters have previously explained, the exact interest rate contained in the various notes of PCS licensees varies largely as a factor of the date the licenses were granted. Thus, although all PCS licensees generally submitted their bids at the same time (except where licenses were re-auctioned), some have higher or lower interest rates depending on when the Commission processed their license grants.

Fairness and simplicity would thus dictate that if the Commission is applying a net present value analysis -- as CONXUS believes it should -- the discount arrived at should apply generally to all PCS licensees, rather than being specifically calculated by individual licensee.

Very truly yours,



Gerald S. McGowan  
George L. Lyon, Jr.

GLL/pc

cc: WT Docket 97-82

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VIA FACSIMILE 418-2801

The Honorable Reed E. Hundt  
Chairman  
Federal Communications Commission  
1919 M Street, NW, Room 814  
Washington, DC 20554

RE: WT Docket 97-82

Dear Mr. Chairman:

This letter is written on behalf of CONXUS, Inc., licensee of regional narrowband PCS systems in each of the five regions of the country. CONXUS understands the Commission may adopt measures which may provide financial relief to PCS licensees, which would include the option of paying off their installment debt at a discount to reflect its net present value, employing an assumed cost of capital of 15 percent.

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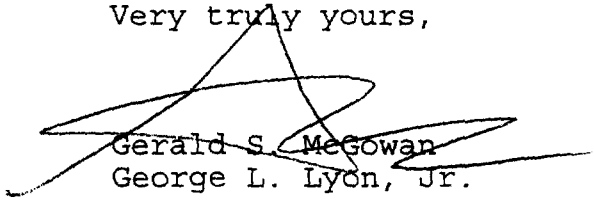
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Fairness and simplicity would thus dictate that if the Commission is applying a net present value analysis -- as CONXUS believes it should -- the discount arrived at should apply generally to all PCS licensees, rather than being specifically calculated by individual licensee.

Very truly yours,



Gerald S. McGowan  
George L. Lyon, Jr.

GLL/pc

cc: WT Docket 97-82

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September 23, 1997

VIA FACSIMILE 418-2802

(202) 828-9472

The Honorable James H. Quello  
Commissioner  
Federal Communications Commission  
1919 M Street, NW, Room 802  
Washington, DC 20554

RE: WT Docket 97-82

Dear Commissioner Quello:

This letter is written on behalf of CONXUS, Inc., licensee of regional narrowband PCS systems in each of the five regions of the country. CONXUS understands the Commission may adopt measures which may provide financial relief to PCS licensees, which would include the option of paying off their installment debt at a discount to reflect its net present value, employing an assumed cost of capital of 15 percent.

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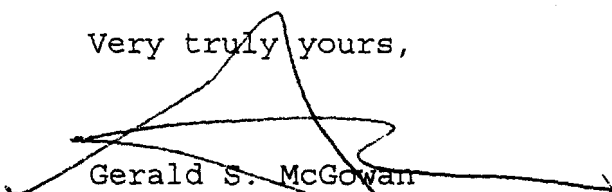
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Very truly yours,



Gerald S. McGowan  
George L. Lyon, Jr.

GLL/pc

cc: WT Docket 97-82

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VIA FACSIMILE 418-2820

The Honorable Rachelle B. Chong  
Commissioner  
Federal Communications Commission  
1919 M Street, NW, Room 844  
Washington, DC 20554

RE: WT Docket 97-82

Dear Commissioner Chong:

This letter is written on behalf of CONXUS, Inc., licensee of regional narrowband PCS systems in each of the five regions of the country. CONXUS understands the Commission may adopt measures which may provide financial relief to PCS licensees, which would include the option of paying off their installment debt at a discount to reflect its net present value, employing an assumed cost of capital of 15 percent.

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